



Landlord and Tenant Act 1985

1985 CHAPTER 70

Service charges

19 Limitation of service charges: reasonableness.

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—
 - (a) only to the extent that they are reasonably incurred, and
 - (b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.
- (3) An agreement by the tenant of a flat (other than an arbitration agreement within the meaning of section 32 of the Arbitration Act 1950) is void in so far as it purports to provide for a determination in a particular manner, or on particular evidence, of any question—
 - (a) whether costs incurred for services, repairs, maintenance, insurance or management were reasonably incurred,
 - (b) whether services or works for which costs were incurred are of a reasonable standard, or
 - (c) whether an amount payable before costs are incurred is reasonable.
- (4) A county court may make a declaration—
 - (a) that any such costs were or were not reasonably incurred,
 - (b) that any such services or works are or are not of a reasonable standard, or
 - (c) that any such amount is or is not reasonable,notwithstanding that no other relief is sought in the proceedings.